

Message Text

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TO AMEMBASSY CAIRO

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E.O. 11652 N/A

TAGS: CPRS, EG

SUBJECT: FORECLOSURE SALE OF SS BRIDGEHAMPTON

1. BELOW IS LETTER TO LEGAL ADVISER FROM DEPARTMENT OF JUSTICE CONCERNING SUBJECT CASE. PLEASE PROVIDE ANSWERS TO AS MANY QUESTIONS AS POSSIBLE. LETTER FOLLOWS:

WE ARE PRESENTLY REPRESENTING VARIOUS FEDERAL AGENCIES WHICH HAVE CLAIMS TOTALLING SEVERAL MILLION DOLLARS IN A LITIGATION IN THE SOUTHERN DISTRICT OF NEW YORK. A SETTLEMENT OF MANY OF THESE CLAIMS IS BEING CONSIDERED IN WHICH THE UNITED STATES WOULD TAKE AN ASSIGNMENT OF CERTAIN CLAIMS TO MONEY PRESENTLY BEING HALD IN THE (ARAB REPUBLIC OF EGYPT). THE CLAIMS ARE TO PART OF THE PROCEEDS FROM THE FORECLOSURE SALE IN 1963 OF THE SS BRIDGEHAMPTON, WHICH WAS OWNED BY TRAMP SHIPPING AND OIL TRANSPORTATION COMPANY. THE SALE WAS MADE UNDER THE AUSPICES OF THE COUR DU PREMIER INSTANCE AT PORT SAID.

THE CHEMICAL BANK NEW YORK TRUST COMPANY HAS FILED A CLAIM TO PART OF THESE PROCEEDS ON ITS OWN BEHALF AS MORTGAGEE-TRUSTEE OF THE FIRST PREFERRED MORTGAGE AND INDENTURE ON THE BRIDGEHAMPTON AND ON BEHALF OF STAATLICHE KREDITANSTALT
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OLDENBURG-BREMEN, GERMANY, WHICH HOLDS THE SINGLE BOND UNDER THE

MORTGAGE, AND BREMER VULKAN SHIFFBAU UND MASCHINENFABRIK A. G., WHICH GUARANTEED PART OF THE BOND. ON OR ABOUT DECEMBER 1, 1963, THE PORT SAID COMMERCIAL COURT ALLEGEDLY ISSUED AN ORDER OF PAYMENT TO CHEMICAL ON ACCOUNT OF ITS MORTGAGE. IN CONNECTION WITH THE ORDER, ON OR ABOUT SEPTEMBER 19, 1966, THE EGYPTIAN DISTRIBUTION OF THE BRIDGEHAMPTON SALE PROCEEDS, ISSUE A DISTRIBUTION LIST WHICH ACCORDED ALLOWANCES TO CHEMICAL AMOUNTING TO 613,422 EGYPTIAN POUNDS.

ANOTHER CLAIMANT TO THE PROCEEDS OF THE BRIDGEHAMPTON SALE IS THE TRUSTEE IN BANKRUPTCY OF TRAMP SHIPPING AND OIL TRANSPORTATION COMPANY. THE PRESENT TRUSTEE IS ARTHUR LIMAN AND THE BANKRUPTCY PROCEEDINGS ARE PENDING IN THE SOUTHERN DISTRICT OF NEW YORK. THE CLAIM OF THE TRUSTEE IN THE EGYPTIAN PROCEEDINGS IS TO THE REMAINDER OF THE BRIDGEHAMPTON SALE PROCEEDS AFTER THE OTHER CLAIMANTS HAVE BEEN PAID.

THE SETTLEMENT PROPOSED TO US CONSISTS IN OUR TAKING AN ASSIGNMENT OF THE TRUSTEE'S CLAIM AND PART OF CHEMICAL'S CLAIM. IN ORDER TO DETERMINE WHETHER THIS SETTLEMENT SHOULD BE ACCEPTED IT IS NECESSARY THAT WE KNOW THE ANSWERS TO THE FOLLOWING QUESTIONS:

1. HAVE CHEMICAL AND THE TRUSTEE IN FACT MADE THE ABOVE CLAIMS AND, IF SO, FOR HOW MUCH?

2. HOW MUCH REMAINS FROM THE SALE PROCEEDS IN THE POSSESSION OF THE EGYPTIAN COURT?

3. AS TO CHEMICAL'S CLAIM:

A. IS CHEMICAL'S CLAIM SUBORDINATE TO ANY OTHER OUTSTANDING CLAIMS, AND, IF SO, IS THERE ENOUGH IN THE ESTATE TO SATISFY THESE PRIOR CLAIMS AS WELL AS CHEMICAL'S?

B. HAS CHEMICAL IN FACT RECEIVED A JUDGMENT OR ORDER AUTHORIZING IT TO RECEIVE PAYMENT AND, IF SO, FOR HOW MUCH?

C. IF CHEMICAL HAS SUCH A JUDGMENT OR ORDER, WHEN CAN IT EXPECT PAYMENT?

D. IF CHEMICAL WILL NOT RECEIVE IMMEDIATE PAYMENT, WHAT ARE THE REASONS FOR THE DELAY?

E. WILL CHEMICAL RECEIVE PAYMENT IN UNITED STATES OR EGYPTIAN LIMITED OFFICIAL USE

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CURRENCY? IF THE LATTER, WILL CHEMICAL BE ABLE TO CONVERT IT TO UNITED STATES CURRENCY AND, IF NOT, WHY NOT?

4. AS TO THE TRUSTEE'S CLAIM:

A. WILL THERE BE ANY REMAINDER FOR THE TRUSTEE AND, IF SO, HOW MUCH?

B. WHEN WILL THE TRUSTEE RECEIVE ANY SUCH REMAINDER?

C. WILL PAYMENT BE IN UNITED STATES OR EGYPTIAN CURRENCY? IF THE LATTER, WILL THE TRUSTEE BE ABLE TO CONVERT IT TO UNITED STATES CURRENCY?

5. IF THE UNITED STATES WERE TO TAKE AN ASSIGNMENT OF THESE CLAIMS AT THIS TIME AND IF THIS WERE MADE KNOWN TO THE EGYPTIAN COURT:

A. WOULD THIS AID OR HINDER PAYMENT OF THESE CLAIMS?

B. WOULD THE UNITED STATES RECEIVE THE MONEY IN EGYPTIAN OR UNITED STATES CURRENCY? IF THE LATTER, COULD IT BE CONVERTED INTO UNITED STATES CURRENCY?

D. COULD THE MONEY BE TAKEN IN EGYPTIAN CURRENCY AND APPLIED TO UNITED STATES EMBASSY COSTS IN EGYPT WITH THE STATE DEPARTMENT PAYING THE EQUIVALENT AMOUNT IN UNITED STATES CURRENCY TO THE FEDERAL AGENCIES INVOLVED IN THE LITIGATION IN THIS DISTRICT?

I WOULD APPRECIATE AN EXPEDITED REPLY TO THIS QUESTIONS. TO ASSIST YOU, I AM ENCLOSING ALLEGED COPIES OF EGYPTIAN COURT DOCUMENTS SENT TO US BY NEW YORK COUNSEL FOR CHEMICAL.

THANK YOU FOR ANY AID YOU CAN GIVE US. VERY TRULY YOURS PAUL J. CURRAN, UNITED STATES ATTORNEY, BY CHARLES FRANKLIN RICHTER.

2. COPIES OF EGYPTIAN COURT DOCUMENTS POUCHED. SISCO

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